

**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION  
OF THE STATE OF CALIFORNIA**

**APPLICATION FOR CERTIFICATION  
OF THE  
PEGASUS PROJECT  
BY PEGASUS POWER PARTNERS, LLC**

**DOCKET No. 01-EP- 9  
APPLICATION FOUND COMPLETE  
MAY 11, 2001  
ORDER No. 01-0606-02**

**Energy Commission Adoption Order**

This Energy Commission Order adopts the Energy Commission's Decision (Decision) on the Pegasus Project. It incorporates the Presiding Member's Proposed Decision (PMPD) in the above-captioned matter and the Commission's modification made at the June 6, 2001, business meeting. The Decision is based upon the Governor's Executive Orders D-26-01 and D-28-01, the Application for Certification, the Staff Assessment appended to the Decision, the presentations made and comments received at the informational hearing held in Chino on May 16, 2001. The Decision is also based upon the written and oral comments from the public and from other agencies that have been received and placed in the docket (Docket No. 01-EP-9); and the comments received at the June 6, 2001, business meeting. The text of the attached Energy Commission Decision contains a summary of the proceedings and the rationale for the findings reached and conditions imposed.

This Order adopts by reference the text, Conditions of Certification, Compliance Verifications, and Appendices contained in the Decision. It also adopts specific requirements, which ensure that the proposed facility will be designed, sited, and operated in a manner to protect environmental quality, to assure public health and safety, and to operate in a safe and reliable manner.

**FINDINGS**

The Energy Commission hereby adopts the following findings in addition to those contained in the Decision and appended text:

1. On January 17, 2001, Governor Gray Davis proclaimed a State of Emergency to exist due to the energy shortage in the State of California. Subsequently, on February 8, 2001 and on March 7, 2001, Governor Davis issued Executive Orders D-26-01 and D-28-01, requiring the Energy Commission to invoke the emergency siting procedures in Public Resources Code section 25705 to expedite the licensing of all new renewable and peaking power plants that could be available for service by July 31, 2001 and no later than September 30, 2001. In Executive Order D-26-01, Governor Davis made the findings that (1) "all reasonable conservation, allocation, and service restriction measures will not alleviate this energy supply emergency," and (2) "the energy supply emergency poses a threat to public health and safety and requires the siting of new power plants that can be on-line to avoid electricity supply shortages this summer and next." Pursuant to such findings, the Energy Commission is empowered to set aside its normal licensing procedures and to license facilities under "such terms and conditions as specified by the [C]ommission to protect the public interest." Executive Order D-28-01 provides that the Energy Commission and all other reviewing agencies shall have the authority to modify timelines for notices and hearings.
2. Pegasus Power Partners, LLC, proposes to construct a simple cycle peaking electric generation facility consisting of four General Electric (GE) LM6000 Enhanced Sprint gas turbine engines. Three of the four will be completed by September 30, 2001. One unit is expected to be completed by March 31, 2002. The project will be located on the grounds of the California Institution for Men (CIM) in the city of Chino, San Bernardino County, California.
3. To the extent feasible under the Energy Commission's emergency siting process, interested persons had an opportunity to submit written documents concerning the Pegasus Project and to make oral presentations at the public hearings in this proceeding.
4. Pursuant to Executive Orders D-26-01 and D-28-01, this project is exempt from the normal requirements of the California Environmental Quality Act under Public Resources Code section 21080(b)(4). Nevertheless, within the context of the need to expedite this Decision, the Energy Commission has developed Conditions of Certification designed to protect environmental quality and the

public interest in accordance with Public Resources Code section 25705. The Conditions of Certification reflect a reasonable balance between protection of environmental quality and the need to alleviate the state's critical energy shortage. To achieve this balance, the public interest is best served by the verification process as well as the monitoring conditions and the conditions of certification included (or incorporated by reference) in the Decision.

5. Implementation of the Conditions of Certification contained in this Decision and incorporated by reference from the Staff Assessment and Authority to Construct and Authority to Operate permits ensure that the project will be designed, sited, and operated in a manner that protects the public interest, assures protection of environmental quality, and ensures reasonably safe and reliable operation of the facility.
6. The Energy Commission finds that the project can be licensed as conditioned in this Decision in a manner that conforms to applicable local, regional, state and federal laws, ordinances, regulations, and standards. To the extent that there are adverse environmental impacts or conflicts with otherwise applicable laws, the benefits of the project outweigh the negative effects.

## **ORDER**

Therefore, the Energy Commission orders the following:

1. The Application for Certification of the Pegasus Project, as described in this Decision is hereby approved and a certificate to construct and operate the project is hereby granted.
2. Energy Commission approval of the Application for Certification is subject to the timely performance of the Conditions of Certification and Compliance Verifications enumerated in the Decision, the Staff Assessment, Appendices, and the Authority to Construct permit. The Conditions and Compliance Verifications are integrated with this Decision and are not severable therefrom. While the project owner may delegate the performance of a Condition or Verification, the duty to ensure adequate performance of a Condition or Verification may not be delegated.

3. Because this Decision is made pursuant to emergency Executive Orders, there shall be no reconsideration process pursuant to Public Resources Code section 25530 and the Decision shall be considered final on the day it is adopted.
4. For purposes of judicial review pursuant to Public Resources Code section 25531, this Decision is final immediately.
5. The Energy Commission hereby adopts the Conditions of Certification, Compliance Verifications, and associated dispute resolution procedures as part of this Decision in order to implement the compliance monitoring program required by Public Resources Code section 25532. All conditions in this Decision take effect immediately upon adoption and apply to all construction and site preparation activities including, but not limited to, ground disturbance, site preparation, and permanent structure construction.
6. The Executive Director of the Energy Commission shall transmit a copy of this Decision and appropriate accompanying documents as provided by Public Resources Code section 25537 and California Code of Regulations, title 20, section 1768.

Dated on June 6, 2001, at Sacramento, California.

\_\_\_\_\_  
Original Signed  
WILLIAM J. KEESE  
Chairman

\_\_\_\_\_  
(Absent)  
MICHAL C. MOORE  
Commissioner

\_\_\_\_\_  
Original Signed  
ROBERT A. LAURIE  
Commissioner

\_\_\_\_\_  
Original Signed  
ROBERT PERNELL  
Commissioner

\_\_\_\_\_  
(Absent)  
ARTHUR H. ROSENFELD  
Commissioner